

RESOLUTION R1011-43

**A RESOLUTION ADOPTING A COST ALLOCATION PLAN FOR THE
FY 2011-2012 BUDGET**

WHEREAS: The City has not had a formal plan to allocate indirect costs. Direct costs are costs assignable to a specific cost objective, whereas indirect costs are costs incurred for multiple cost objects or not assignable to a specific cost objective without effort disproportionate to the benefit received.

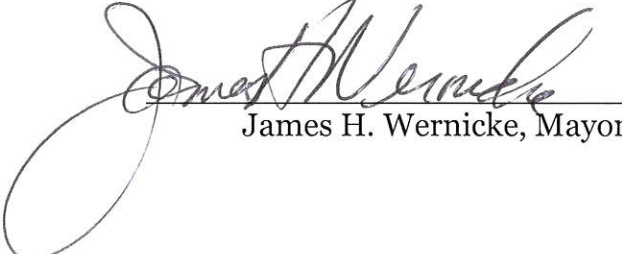
WHEREAS: Cost allocation is a method to identify and distribute indirect costs.

WHEREAS: It is standard practice among many governments to allocate indirect costs on the basis of full-time equivalents (FTEs), operating budget, and use.

NOW, THEREFORE, BE IT RESOLVED that the City of Gold Beach City Council hereby adopts the Administrative Cost Allocation Plan and Worksheet, attached as EXHIBIT A to this resolution, as the methodology and formula for calculating indirect costs for fiscal year 2011-2012.

PASSED BY THE CITY COUNCIL OF THE CITY OF GOLD BEACH, COUNTY OF CURRY, STATE OF OREGON, and EFFECTIVE THIS 13th DAY OF JUNE 2011.

SIGNED BY:


James H. Wernicke, Mayor

ATTEST:


Jodi Fritts, City Recorder

City of Gold Beach
ADMINISTRATIVE COST ALLOCATION
Fiscal Year 2011-2012

INDIRECT COST TRANSFERS General Fund		General (012)		Street Tax		I & I Corrections		Water Utility		Sewer Utility	
		%	\$	%	\$	%	\$	%	\$	%	\$
Expenditures	Total										
Audit Services	25,000	48%	12,000	4.0%	1,000	3.0%	750	23.0%	5,750	22.0%	5,500
Legal Services	30,000	48%	14,400	4.0%	1,200	3.0%	900	15.0%	4,500	30.0%	9,000
Insurance/Bonding	49,243	48%	23,637	4.0%	1,970	3.0%	1,477	23.0%	11,326	22.0%	10,833
Dues & Memberships	3,000	48%	1,440	4.0%	120	3.0%	90	23.0%	690	22.0%	660
Municipal Code Serv.	1,000	48%	480	4.0%	40	3.0%	30	23.0%	230	22.0%	220
Bank Fees	2,400	30%	720	0.0%	0	0.0%	0	35.0%	840	35.0%	840
Dispatch Services	35,000	98%	34,300	0.0%	0	0.0%	0	1.0%	350	1.0%	350
Acct Software License	5,900	48%	2,832	4.0%	236	3.0%	177	23.0%	1,357	22.0%	1,298
GIS Fees	7,200	51%	3,672	10.0%	720	3.0%	216	26.0%	1,872	10.0%	720
Executive Admin	313,860	48%	150,653	4.0%	12,554	3.0%	9,416	23.0%	72,188	22.0%	69,049
City Council	16,160	48%	7,757	4.0%	646	3.0%	485	23.0%	3,717	22.0%	3,555
Total	488,763		251,890		18,487		13,541		102,819		102,026

100% calculated on % dept ops to total budget and staff time ests.
100% calculated on % dept ops to total budget and staff time ests.
100% calculated on % est ops to total budget and risk assess
100% calculated on % dept ops to total budget
100% calculated on % dept ops to total budget
100% calculated on staff estimates of use
100% calculated on staff estimates of calls for service
100% calculated on % dept ops to total budget
100% calculated on % dept ops to total budget
100% calculated on % dept ops to total budget
100% calculated on % dept ops to total budget

Cost allocation is a method to identify and distribute indirect costs. Direct costs are costs assignable to a specific cost objective, whereas indirect costs are costs incurred for multiple cost objectives or not assignable to a specific cost objective without effort disproportionate to the benefit received.

City Council is the legislative and policy-making branch of the city government, responsible for determining city policies and goals. The council is involved in decision-making and policy-setting that govern all fund activities. The existence of and city council's involvement in enterprise, capital project and special revenue funds therefore has an impact on the cost of each department and fund.

Executive services provide direction, coordination, and oversight for the city as a whole. In addition, it provides human resource functions, contracting, records management, litigation/dispute management, council support, and budget development services for all funds.

Finance and administration provide support to all city departments. In addition to all accounting functions, financial reporting, and budgeting, finance and administration also manages all accounts payable and accounts receivable, utility billings and serves as the primary cashier and reception for city business.

It is standard practice among many governments to allocate city council, executive, and finance and administration costs on the basis of FTEs, Operating Budget, and use. The City of Gold Beach based allocations primarily on percentage of operating budget with exceptions noted above.

City of Gold Beach
COST ALLOCATION WORKSHEET
Fiscal Year 2011-2012

	<u>General Fund</u>	<u>Street Tax</u>	<u>I & I</u>	<u>Water</u>	<u>Sewer</u>
Fund Balance	1,388,376	298,134	165,575	1,204,000	1,062,700
Audit	(30,000)				
Legal	(25,000)				
Insurance	0				
Dues	(2,500)				
Muni Code	(3,000)				
Bank Fees	(7,200)				
Dispatch	0				
GIS	(7,200)				
Executive	(232,355)				
City Council	(16,980)				
SUBTOTAL	1,064,141				
plus reserves	<u>834,000</u>			<u>383,250</u>	<u>7,073,344</u>
special and debt					
funds	947323				
SUBTOTAL	2,845,464	<u>298,134</u>	<u>165,575</u>	<u>1,587,250</u>	<u>8,136,044</u>
less capital	(49,000)	<u>(72,000)</u>	<u>(15,000)</u>	<u>(216,600)</u>	<u>(7,100,844)</u>
Net Operations	2,796,464	226,134	150,575	1,370,650	1,035,200
 TOTAL BUDGET	 13,275,702				
TOTAL BUDGET					
LESS CAPITAL	5,822,258				

% General	48%
% Street Tax	4%
% I & I	3%
% Water	24%
% Sewer	<u>22%</u>
	100%

* Administrative costs for Community Promotions is already included in the General Fund.
Community Promotions administrative costs of 20% of tax collected is set by state statute.